

United States House of Representatives
Committee on Financial Services
2129 Rayburn House Office Building
Washington, DC 20515

February 4, 2009

The Honorable Timothy F. Geithner
Secretary
U.S. Department of the Treasury
1500 Pennsylvania Avenue, NW
Washington, DC 20220

Dear Mr. Secretary:

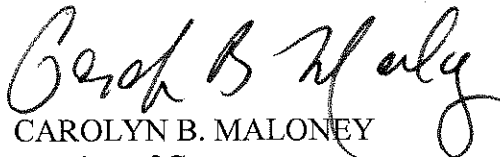
While we are aware of the Administration's recent announcement of prospective restrictions on compensation at financial institutions that receive money under the TARP program, more needs to be done. Members of Congress share the outrage expressed so clearly by President Obama over irresponsible bonus compensation practices on the part of financial institutions that received federal money under the TARP program. We realize that there are constraints on what can be done legally to compel a return of some of the funds, where compensation was granted in ways which we agree with the President were inappropriate, but we believe that the issue must be addressed. We therefore write to urge you as you consider future applications for money from the Troubled Assets Relief Program to take into consideration the behavior with regard to compensation practices of those institutions which have already received funds. Specifically, where institutions engaged in excessive bonuses of the sort that the President has condemned, and have been unwilling to acknowledge this and take some steps to alleviate the situation, we think this should count as one of the factors that you use in deciding whether or not they should get further funds. Those who supported the effort to provide you the resources needed to deal with the credit crisis are particularly concerned at the failure of the previous administration to impose sufficient safeguards to protect not just the interest of the taxpayers, but the purpose of the program, and so we ask that you inform those organizations that have already received funds that you will be evaluating their actions with regard to those compensation practices and take them into account in making decisions about the future.



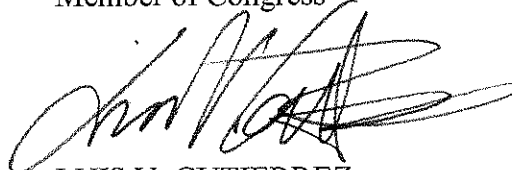
BARNEY FRANK
Chairman
Committee on Financial Services



GARY PETERS
Member of Congress



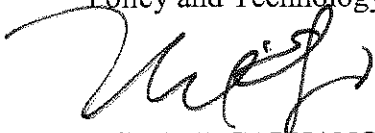
CAROLYN B. MALONEY
Member of Congress



LUIS V. GUTIERREZ
Chairman
Subcommittee on Financial Institutions
And Consumer Credit



MELVIN L. WATT
Chairman
Subcommittee on Domestic Monetary
Policy and Technology



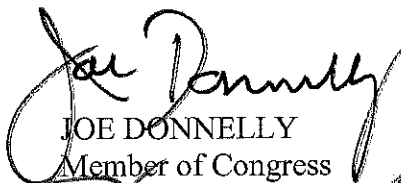
MICHAEL CAPUANO
Member of Congress



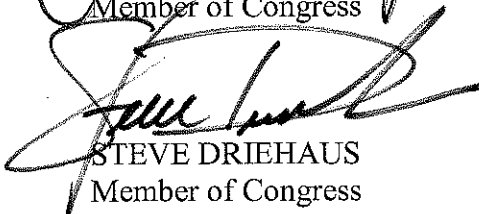
AL GREEN
Member of Congress



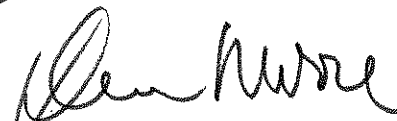
GWEN MOORE
Member of Congress



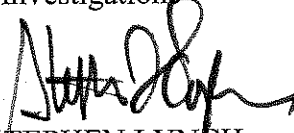
JOE DONNELLY
Member of Congress



STEVE DRIEHAUS
Member of Congress



DENNIS MOORE
Chairman
Subcommittee on Oversight and
Investigations



STEPHEN LYNCH
Member of Congress



MELISSA BEAN
Member of Congress



KEITH ELLISON
Member of Congress



MARY JO KILROY
Member of Congress